

Chemical Companies, Linked to Germany, Fined for Conspiracy

Injunction Is Granted To Halt Monopoly of

Hormone Market

By the Associated Press.

NEWARK, N. J., Dec. 18.—Three New Jersey chemical firms and four officers were fined a total of \$48,000 yesterday by Federal Judge William F. Smith in actions which Justice Department officials said would open Latin America to the United States chemical industry, free it from German dominance and plug an important leak in the economic blockade against the Nazis.

A fourth firm and its president were fined a total of \$6,000, but the fines were suspended.

The defendants pleaded no defense to charges they conspired with certain European firms to prevent other persons from manufacturing hormones in the United States and from importing them; that they conspired to allocate the world market in hormones and maintained arbitrary and non-competitive prices.

Injunction Is Sought.

The fines were paid immediately and during a brief recess the Government filed civil suits asking that the companies be enjoined from further violations.

When court reconvened the defendants consented to the decrees.

Defendants and their fines were: Schering Corp. of Bloomfield, \$15,000; its president, Julius Weltzien, \$2,000, and vice president, Gregory Stragnell, \$1,000; Ciba Pharmaceutical Products, Inc., of Summit, \$10,000; its principal officer, Vincent A. Burgher, \$2,000, and Roche-

Organon, Inc., of Nutley, \$15,000, and its president, Elmer H. Bobst, \$3,000.

Rare Chemicals, Inc., of Flemington, and its president, E. T. Fritzching, also pleaded no defense to similar charges, but fines of \$5,000 against the company and \$1,000 against Mr. Fritzching were suspended because manufacturing had not started, it was explained.

The case, developed by the Justice Department's anti-trust division, involved a sex hormone and another hormone, the latter described as "particularly valuable in the treatment of soldiers and civilians in wartime." It is used to counteract shock from wounds, burns, surgery and the "blackout" sometimes experienced by pilots in sudden altitude changes or swift turns.

Berlin Company Accused.

The complaint against Schering Corp. said that while Schering, A.C. of Berlin, Germany, was not named a defendant "it is a co-conspirator in the conspiracy."

It was said that Schering of Berlin, one of the largest distributors of drugs in the world, organized in 1936 a New York subsidiary which transferred its assets to the Bloomfield concern and the latter acted as distributor for Schering of Berlin.

Schering of Bloomfield took over the South American trade for the Berlin firm in 1939, when Germany began having trouble with shipments, the papers said.

Roche-Organon, Inc., was associated with a Dutch West Indies concern and was one of the world's largest dealers in hormones, the complaint against the firm said.

One alleged method of meeting the blockade was to have American firms package goods to resemble German-produced products and fill Latin American orders for the German companies.